BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF HAWAII

In the Matter of	)	
	)	
PUBLIC UTILITIES COMMISSION	)	Docket No. 2009-0108
	)	
Instituting a Proceeding to Investigate	)	
Proposed Amendments To the Framework	)	
For Integrated Resource Planning.	)	
	)	

HAIKU DESIGN AND ANALYSIS

RESPONSES TO INFORMATION REQUESTS

AND

CERTIFICATE OF SERVICE

Carl Freedman
Haiku Design & Analysis
4234 Hana Hwy.
Haiku, HI 96708
(808) 572-2519

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HAIKU DESIGN AND ANALYSIS

RESPONSES TO INFORMATION REQUESTS

Carl Freedman, dba Haiku Design and Analysis (HDA) respectfully offers the following responses (HDA Responses) to the information requests transmitted by the parties in this docket on or by November 10, 2009.

DIVISION OF CONSUMER ADVOCACY'S INFORMATION REQUESTS TO HDA

CA/HDA-IR-1 Ref: Planning Process.

a. HDA discusses the need to rely upon the competitive bid process to identify the resource or block of resource that will be required.

1. Please discuss how HDA envisions a utility company might identify the relevant cost inputs associated with an identified need, but no specific resource. To explain, if a utility company identifies a need for firm/non-firm 10MW unit, and that need could be filled by firm v. non-firm, fossil v. non-fossil, and supply side v demand-side, please discuss how the cost would be calculated. Please provide copies of examples.

2. If HDA envisions a different process that incorporates the need and results of the competitive bidding process in the CESP process, please provide that discussion.

b. HDA also discusses the determination of short- and long term avoided costs. Please discuss how HDA envisions how short- and long-term avoided costs will be calculated. Please provide examples of each.

RESPONSE:

a. HDA did not suggest that the competitive bid process should identify the resource or resource block that will be required. The planning process would identify the resources and blocks of resources that would be needed. HDA does suggest that the competitive bid process may provide information regarding the costs and prices of resources that could be used in planning analyses.

1. In the example provided the planning process would function as it has in the past. The need for resources would be determined by examining projected demands and installed resources to determine if installed resources are sufficient. Various resource options to meet any identified need would be identified, including both

supply and demand-side resources. The costs of these resources would be estimated using the best information available. Some of this information could be provided by engineering estimates (consistent with current practice), some by examining the costs of installed projects (including any information from competitive bidding). The planning analysis tools would be used to examine which type of resource would be preferred according to whatever assumptions, projections and scenarios are presumed. Costs would be calculated (as they are in the existing IRP process) as total system costs according to any of several cost perspectives (i.e. utility cost, total resource cost). All of this is consistent with existing practice in accordance with the existing IRP Framework. HDA offers as examples any of the HECO Companies' IRP applications filed with the Commission.

2. See response to a. and 1. above.

b. HDA is not suggesting that short or long run avoided costs should be calculated any differently than previously. Please see HDA's response to HECO/HDA-IR-1 part b.

An example of the determination of short run avoided costs is the process for the determination of Schedule Q rates consistent with the procedures discussed and resolved in Docket No. 7310. An example of the determination of long range avoided costs is the determination of the avoided costs in evaluating HECO's most recent energy efficiency programs in Docket No. 05-0069 (See for example HECO response to CA/HECO-IR-9 in that docket).

DIVISION OF CONSUMER ADVOCACY'S INFORMATION REQUESTS TO HDA

CA/HDA-IR-2 Ref: Planning Process.

Please provide HDA's envisioned definition and description of what would comprise a "scenario."

RESPONSE:

HDA suggests a definition of a "scenario" in the context of the definitions and distinctions provided below. These definitions are consistent with HDA's interpretation of a scenario planning process that includes the concepts outlined in the NRRI Comments in this docket (Clean Energy Scenario Planning: Thoughts on Creating a Framework, November 3, 2009) but as implemented within the context of a framework that retains fundamental elements of the existing IRP Framework:

Scenario: A distinctive set of possible, plausible circumstances that would have a major effect on resource planning decisions. Scenarios would be explicitly identified in the planning process in order to (a) provide an appropriate breadth to the scope of plausible analysis assumptions utilizing stakeholder participation, (b) frame meaningful planning objectives and measures of attainment and (c) test the "robustness" of candidate strategies with respect to a range of possible future circumstances. Scenarios could be formulated based on possible circumstances including those that are outside the control of the utilities and Commission and those that based on major "game changing" resource strategies (such as an inter-island cable system).

Strategy: A set or sequence of prospective resource options and actions designed to meet identified energy needs and planning objectives. A strategy is similar to what the HECO Companies have referred to as "candidate plans" in the IRP applications filed under the existing IRP Framework except that a strategy could also include appropriate contingency planning, parallel planning measures to address future uncertainties. In the planning process each strategy would be assessed with respect to the various identified scenarios. An action plan would be identified to implement a preferred strategy and/or to maintain flexibility to implement more than one possible preferred strategy or one or more contingency strategies.

Planning objectives: Desired outcomes to be attained by actions by the utility and Public Benefits Fee Administrator.

Resource option: A program, generation unit, tariff provision, or any other measure (collectively "measures") that would contribute to meeting energy needs or attainment of planning objectives. Resource options would include measures that could be implemented by the utility, the public benefit fee administrator or the Commission as well as those measures anticipated to be implemented by other entities (such as State of Hawaii programmatic governmental agency efficiency measures).

Action: (as used in the context of a utility action plan) Any specific activity (resource option, study, program, measure, etc.) that the utility intends to implement in order to provide required services and/or attain planning objectives.

DIVISION OF CONSUMER ADVOCACY'S INFORMATION REQUESTS TO HDA

CA/HDA-IR-3 Ref: Planning Process.

a. Based on the assumption that there would be a possible range of scenarios that would support the development of an action plan, please provide a discussion of how HDA envisions how the Companies should cull or select the various inputs or analyses from the various scenarios to develop a single action plan.

b. If not already discussed, please discuss how the evaluation of cost effectiveness is considered when selecting various resources or alternatives from different scenarios to develop an action plan.

RESPONSE:

a. The planning analyses could be fairly similar to those performed pursuant to the existing IRP Framework except that (1) any screening or selection of resource options and/or strategies would more explicitly take into consideration assumptions consistent with the scope of identified planning scenarios and (2) the action plan would be developed to more explicitly address the range of uncertainties identified in the planning process. The identification of preferred strategies would remain a difficult and subjective process that attempts to meet the sometimes-conflicting planning objectives in an "optimal" manner (since there is ultimately no way around this necessity).

The prior emphasis on requiring the utility to identify one specific strategy that would be rigorously reviewed and approved by the Commission would be replaced by an emphasis on actions (including contingency measures and parallel planning measures as necessary) to address uncertainties and reduce expected risk.

b. Cost effectiveness would be considered as one of the principle planning objectives: to meet utility service requirements economically and minimize utility customer electricity bills. One aspect of the consideration of cost effectiveness is perhaps different from the perspective incumbent at the time the existing IRP Framework was drafted. At that time, demand-side management (DSM) programs were unprecedented in Hawaii and were considered to be justified as utility resources that could meet customer needs only if they could be implemented at a cost less than the avoided costs of supply side resources. The policy that DSM programs must be cost effective (in terms of a benefit to cost ratio greater than one) has changed. Several utility DSM programs have been approved that are not cost effective according to an avoided cost standard. This reflects an implicit policy that efficiency programs measures are a preferred approach. More recently the Hawaii Legislature has formalized energy efficiency portfolio standards which require implementation of energy efficiency measures. The consideration of cost effectiveness for DSM programs shifts initially more to a determination of what programs would most economically address the energy efficiency portfolio standards. In the longer term the Commission must also reassess the reasonableness of the energy efficiency portfolio standards and the consideration of cost effectiveness should be part of that determination. On the supply-side, the consideration of cost-effectiveness is similarly shifted to a determination of what resources and mix of resources (that

effectively meet the State's renewable portfolio standards) are most economical considered in conjunction with all of the identified planning objectives.

COUNTIES' INFORMATION REQUESTS TO HDA

COUNTIES-HDA-IR-1:

REF: HDA PSOP Attachment A, (6)

Please explain your concept of an independent process facilitator. If there is an independent facilitator, who pays for the facilitator and how is the facilitator selected?

RESPONSE:

HDA suggested an independent process facilitator as one possible means to improve the effectiveness of the advisory group process and provide stakeholders (advisory group members) with additional "voice" in the utility planning process. There are three discernable aspects to the possible role of an independent process facilitator. Any combination of these roles might be appropriate:

- Facilitation of all, some or parts of advisory group meetings or other public meetings associated with the utility planning process. This could include some or all of the conventional functions served by a public meeting facilitator (meeting planning, presiding over meetings, and/or recording).
- Providing reports to the Commission. If the facilitator provides reports to the Commission (made available to all parties), this would provide some voice to stakeholders concerns and motivate the utility to assertively address concerns raised by advisory group members. It must be clear that the facilitator is not an agent of the Commission and does not make decisions or represent the Commission in the process. Simply by providing reports to the Commission, however, the facilitator

would bring to the process an awareness of the Commission's attention to the proceedings.

- The facilitator could assist with ongoing examination of the technical planning analyses to provide interpretation between the advisory group members and the utility planning analysts regarding the extent to which stakeholder concerns are properly characterized and addressed in the process. This would (a) add credibility to the utility process where technical analysis is properly performed to address stakeholder concerns, (b) add credibility in explaining why certain analyses might not be able to be performed and (c) provide leverage to encourage the utility to perform analyses that are meaningful to stakeholders.

HDA presumes that any independent process facilitator would be paid for by the utility with allowance for utility cost recovery similar to the arrangement currently used for independent observers in the competitive bidding framework and recently provided to oversee the feed-in tariff queuing and interconnection process. For the planning process, however, it might be appropriate for the Commission to select the independent process facilitator in order to maximize effectiveness, ensuring that the facilitator is as independent and as credible as possible, both in the role of facilitating meetings and in the role of reporting to the Commission.

COUNTIES' INFORMATION REQUESTS TO HDA

COUNTIES-HDA-IR-2:

REF: HDA PSOP, OTHER SUGGESTIONS, Part (10)

HDA suggests that the DSM cost recovery section of the existing IRP is no longer necessary or applicable and could be deleted. In as much as the revised IRP will cover KIUC as well as, perhaps, The Gas Company, and recognizing that KIUC has been exempt from the Public Benefits Fund Administrator and will still implement their DSM programs in-house, how would KIUC recover costs if it is deleted from the IRP?

RESPONSE:

Nothing would prevent the Commission from approving DSM cost recovery mechanisms for KIUC or The Gas Company without specific reference to cost recovery mechanisms in any planning framework adopted by the Commission. The authority to approve DSM cost recovery mechanisms does not spring from the planning framework but from the Commission's general authority. Language in a planning framework is not necessary for the Commission to approve appropriate DSM cost recovery mechanisms.

The provisions in the existing IRP Framework that describe the DSM cost recovery mechanisms were constructive because, at the time the Framework was issued, DSM programs had never been approved and the methods for cost recovery had never been implemented. By including the cost recovery mechanism section in the IRP Framework the Commission affirmed its general approval of the cost recovery proposals put forward in Docket No. 6617 and thus laid out a clear foundation for the design of the then-future DSM program applications that were anticipated.

The inclusion of a section on cost recovery mechanisms in the IRP Framework, however, is not necessary or dispositive regarding what cost recovery mechanisms can be approval for DSM programs. First of all, the approval of the actual cost recovery mechanisms for the DSM programs was not made in the IRP Framework in Docket No. 6617 but was made in the individual DSM program applications. The IRP Framework served as guidance but did not approve any specific cost recovery mechanisms. Second, the authority of the Commission to approve any DSM cost recovery mechanisms does not spring from the IRP Framework. The Commission has the authority to approve DSM cost recovery mechanisms regardless of whether specific policies are identified in any framework or not. Third, now that there is clear precedent for the approval of DSM cost recovery mechanisms it is not necessary for the Commission to provide clarity in any framework regarding what mechanisms will be acceptable. Indeed the Commission's policies regarding cost recovery mechanisms have changed since the IRP Framework and are now represented more by more recent precedents than by the IRP Framework language.

HAWAII RENEWABLE ENERGY ALLIANCE INFORMATION REQUESTS TO HDA

HREA-IR-1. In its Preliminary Statement of Position ("PSOP"), HREA proposed a set of governing principles that were broken down into the three following categories: overall, resource selection and acquisition, and IRP process. These proposed principles are listed below without the explanatory text that was included in our PSOP, and edited for clarity:

- **Overall IRP Goals are to:**
  - **Meet forecasted electrical energy demand (MW, MWHs) via demand- and supply-side resources over the IRP period.**
  - **Identify and meet state energy objectives, and comport with state and county environmental, health, and safety laws by formally adopting state and county plans.**
  - **Maintain and enhance electrical system reliability, safety and security to facilitate state energy objectives and policies.**
- **Resource Acquisition and Operation to:**
  - **Establish and maintain a "no regrets policy" for resource acquisition, e.g., energy efficiency, conservation, renewables and storage.**
  - **Phase out conventional fossil facilities.**
  - **Establish and maintain preferred acquisition methods, e.g., net metering, feed-in tariffs, competitive bidding and non-bid contracts.**
  - **Prioritize implementation of distribution generation over central generation.**
  - **Design, modify, and operate the utility system to maximize the use of clean energy resources.**
  - **Mitigate power outages after catastrophic events.**
- **IRP Process will include:**
  - **Ongoing, open, transparent, efficient and nimble.**
  - **Clear definition of roles, responsibilities and legal standing of all IRP participants.**
  - **A basic plan for a period of 20 years with an action plan of five or more years, annual reviews and flexible periods for major revisions every three to five years.**
  - **One plan for each island utility and an overall plan for the island chain.**
  - **Incorporation of appropriate analytical methodologies, such as discounted lifecycle analysis and clean energy scenario planning.**
  - **Consideration of the plans' impacts upon the utility's consumers, the environment, local culture, community lifestyles, the State's economy, and society in general.**

- **o All Parties' recovery of a portion up to all costs of their participation in IRP.**

That said, do the Parties support the governing principles as proposed above? Given that HREA is seeking to establish the level of support for each of the principles, please respond with detail as to:

1. Those principles that can be supported (with or without comments), and

2. Those principles that cannot be supported (with comments).

Finally, the Parties are asked to suggest additional principles, as appropriate, with supporting comments.

RESPONSE:

1. Except for the principles identified in response to part 2. below, HDA generally agrees with the proposed principles at this point in these proceedings provided that it is understood that HDA continues dialogue with other parties, continues to refine its position and has not reached final conclusions on what recommendations to make in the final statement of position.

2. HDA cannot support all of the proposed governing principles:

The second and fourth bullets regarding resource acquisition and operation are more appropriately a matter of findings of the planning process rather than governing principles or first objectives. The first bullet in this section refers to a "no regrets policy" that is unclear to HDA at this time.

The third and fourth bullets regarding the process are too specific for HDA to agree to at this time, although there is no strong disagreement.

HAWAIIAN ELECTRIC COMPANIES' INFORMATION REQUESTS TO HDA

HECO/HDA-IR-1

Ref: Specific Functions Served by the Utility Planning Process

On page 5, HDA states that "The utility planning process should assist the Commission in addressing several specific regulatory needs.... Although these regulatory determinations would, for the most part, not be resolved explicitly in the utility planning process, the planning process should be explicitly designed to serve these functions." HDA continues by listing specific functions on pages 5 and 6 that are also listed in Attachment A on page 3. On page 5 of Attachment A, HDA states that "plans must be flexible and somewhat general".

a. Please discuss how "establishing, evaluating, maintaining and determining the reasonable pricing of tariffs designed to encourage acquisition of renewable resources (such as feed-in tariffs, net energy metering and standby charges)" would be accomplished in the planning process with plans that strive to be "flexible and somewhat general".

b. Please discuss how "determining short run and long run utility avoided costs and the reasonableness of wholesale payment rates that may be above 'least' avoided cost" would be accomplished in the planning process with plans that strive to be "flexible and somewhat general".

c. Please discuss how "modification of the RPS and EEPS" would be accomplished in this planning process. For example, are the energy efficiency DSM programs to be evaluated and determined in the planning process? Are energy efficiency DSM programs predetermined based on set budgets for the PBF Administrator which would be used as inputs to the IRP process? Or would the IRP process determine the key attributes of the energy efficiency DSM programs (such as MW load reduction at various hours of the day, MWh of energy reduction by year over multiple years)?

RESPONSE:

a. One purpose served by long term utility planning is providing information regarding the timing and urgency for the need for different types of resources. This information is necessary for the Commission to consider (perhaps primarily in other dockets) what tariffs and other procurement mechanisms may best serve the interests

of the utility and its customers. For example, if there is a pressing need for certain types of renewable resources in order to meet RPS, then more aggressive resource acquisition mechanisms might be approved and feed-in tariffs might be priced more generously than if there is plenty of time for the utilities to acquire sufficient resources to meet the RPS. This information is provided by long range planning analysis such as the analysis provided in the scenario planning process.

The scenario planning process, as described by several parties and NRRI in its comments, attempts to address future uncertainties more explicitly and methodically than past IRP implementation. The basic concept is to reduce risks by identifying an action plan that accommodates uncertainties and embraces a set of possible future scenarios. This is one aspect of maintaining flexibility. Future plans should be designed to be flexible with respect to developing circumstances.

Another form of flexibility pertains to how utility plans and action plans could be amended as uncertain future circumstances unfold. What process is necessary for the utility to change its plan and/or action plan to reflect changes in circumstances?

Please note that HDA did not state or imply that the determinations regarding "establishing, evaluating, maintaining and determining the reasonable pricing of tariffs designed to encourage acquisition of renewable resources (such as feed-in tariffs, net energy metering and standby charges)" would be made within the scenario planning process. HDA stated that the planning process should explicitly serve these functions (i.e. provide the necessary context and information). As flexibility is

maintained in the planning process and the maintenance of current action plans, the various determinations that must be made by the Commission (including regulating resource acquisition methods) would be served more flexibly.

b. See response to a. above regarding the concepts of flexibility referred to by HDA. HDA provided a description of how the planning process might be used to determine and establish that wholesale purchase rates above least-avoided-cost would just and reasonable in its Opening Brief in the Feed-in Tariff Docket No. 2008-0273. Although this description (quoted below) refers specifically to determining the reasonableness of feed-in tariff rates, it describes the issues and process (including the relationship to the utility resource planning process) that is generally applicable to determination of the reasonableness of any resource costs:

> (12) There are several conventions typically applied to determine whether non-utility projects and/or rates are reasonable. Most generally, the concept of avoided cost is used as a regulatory standard to determine whether a project would cost more or less than the status quo. In the context of evaluating individual projects, the HECO Companies employ a differential revenue requirements analysis to determine whether incorporation of a project in the utility mix of resources would increase or decrease long term utility revenue requirements. In the context of long range planning, revenue requirements analyses are applied to a spectrum of resource strategies to determine optimal resources and projects based on long term revenue requirements and total resource costs. In the context of resource procurement, competitive bidding procedures determine the most economical project(s) within the scope of the RFP. Each of these conventions includes some means to determine whether the projects or rates in question are reasonable by comparison to other viable alternatives.
>
> (13) The avoided cost standard, although conventional and broadly applied is not absolute. Rates above or below avoided costs may be just and reasonable. For example, if fully allocated wind project-based-costs are substantially below avoided costs, then rates set at or just below avoided costs would not represent the most economical or reasonable rates from the

perspective of the utility or its ratepayers. Some projects could be found to be reasonable even rates are above avoided cost. For example, rates for net energy metered projects are above avoided costs but are considered reasonable since statutes require net energy metering. Similarly, renewable projects may be reasonable, even if above avoided costs based on conventional resources, since they are required by RPS statutes.

(14) A distinction should be drawn between short run spot avoided costs and long run avoided costs. Short run spot avoided costs are based on the short run marginal cost of energy at a particular time. Schedule Q rates are short run spot avoided costs. Long run avoided costs are based on a discounted summation (net present value) of costs over an extended analysis timeframe taking into consideration changes in the timing and mix of resources additions and retirements that would occur in the analysis timeframe. Long run avoided costs are essentially the standard used in differential revenue requirements analysis and long range planning studies.

It is important to consider both short run and long run avoided costs. Short term avoided costs provide a standard to determine whether FiT rates would have rate impacts. Long term avoided costs indicate whether projects or FiT rates are cost-effective on a life cycle basis. Rates should be examined and found to be reasonable with respect to both considerations. This does not mean that FiT rates must be below both short term and long term avoided costs. It means that if rates are above either or both avoided cost standards, the reasonableness of the rates should be justified for some reason other than beneficial rate impacts or cost-effectiveness.

(15) In applying avoided costs as a standard it is essential to ensure that the avoided costs are properly determined for the specific application. This includes consideration of the implicit and explicit assumptions in the analyses used to determine avoided costs and the general framing of the avoided cost analysis. For example, avoided costs can be based on a "least cost" generation plan or they could be based on a preferred generation plan. In the case of evaluating FiT's against avoided costs, the avoided costs should used that are based on analysis of the total system costs of meeting the Hawaii RPS with an optimal mix of supply resources, grid improvements, demand response/load management programs and energy efficiency programs.

(16) ...

(17) FiT rates that are determined based on technology project costs may cost more or less than other alternative technologies and may result in prices more than other types of procurement mechanism such as competitive bidding. There are two discernable factors. First, is the technology cost-effective? Second, is the project-cost-basis an effective means to set the price?

Ultimately, project-cost-based FiT rates are reasonable only if either (a) they are less than the cost of other viable alternatives (with commensurate characteristics) or (b) the projects are determined to be reasonable irrespective of (or after consideration of) the higher costs.

(18) One straightforward process to determine the reasonableness of Fit (or other) rates is based, at root, on the statutory RPS requirements and a process to determine the most reasonable way to meet the RPS. This method is not immediately accessible for the purposes of this docket but is nevertheless outlined below to demonstrate a viable approach:

- The RPS statute requires that specified percentages of renewable generation must be implemented by certain future dates.
- A planning process would determine the best mix of resources to meet the RPS. This would include consideration and determination of the best mix of supply resources, grid improvements, demand response/load management programs and energy efficiency programs to meet the RPS and other utility system objectives.
- A planning process would determine the necessary timing of implementation of the optimal mix of resources, improvements and programs.
- A planning process or regulatory process would determine the best resource procurement mechanisms to use to most effectively and cost effectively implement the resources, improvements and programs.

If, after going through this process, it were determined that a specified amount of a particular renewable generation technology was necessary or optimal and would be best acquired through a FiT, then a project-cost-based FiT would clearly be just and reasonable. The basis for this finding would be that, by probative analysis, the resource is the best (or an optimal) alternative taking its cost into consideration. Note that such a resource might very well cost substantially more than the Schedule Q spot price or the long term avoided cost based on the resource mix of the existing utility system.

[HDA Opening Brief, pp. 19 -23, Feed-in Tariff Docket No. 2008-0273]

c. HDA does not assert that modifications to the RPS and/or EEPS would be necessarily be made in the scenario planning process. The scenario planning process, however, would be the basis for providing the context and necessary information to make these determinations (perhaps in one or more other dockets).

HDA recommends a planning process that would anticipate that the Commission would actively use the utility planning process to perform any necessary analyses and provide any necessary information to make determinations about any necessary regulatory actions, including revising the RPS and EEPS.

IRP and scenario planning analysis both start from a different premise than the RPS and EEPS. IRP and scenario planning start with identification of planning objectives and proceed to determine an optimal resource mix based on attainment of the planning objectives. The mix of resources is determined by analysis of what is most reasonable. RPS and EEPS start with a prescriptive requirement regarding the mix of resources that is based on policy, not quantitative or methodical analysis. The Commission's periodic re-evaluation of the reasonableness of the RPS and EEPS, however, should be based on a combination of policy (reflecting the legislative intent of the RPS and EEPS statutes) and quantitative, methodical analysis (reflecting the statute's requirement for periodic re-evaluation). This re-evaluation should start from the same premise as IRP and scenario analysis: the determination of on optimal (or reasonable) resource mix based on consideration of the attainment of objectives according to quantitative, methodical examination.

As described in HDA's Preliminary Statement of Position, the utility planning process should consider the optimal targeting, design objectives and role of the PBFA energy efficiency options in the context of the utility resource plans. Specific program designs would be the responsibility of the PBFA. The PBFA would

participate in the utility planning process and would provide information about the specific nature of any existing, planned or potentially feasible energy efficiency programs. These programs would be analyzed as resource in the utility planning process. It would be expected that there would be some iterative cooperation. If specific utility system needs are identified (temporal or geographic) by the planning analyses the PBFA could respond with prospective programs specifically designed to meet these needs. The overall budget for the PBFA programs would be determined by the Commission (probably as a separate matter in a separate docket) based, in part, on the results of the utility planning process analyses.

HAWAIIAN ELECTRIC COMPANIES' INFORMATION REQUESTS TO HDA

HECO/HDA-IR-2

Ref: NRRI Comments – III. Who Are the Appropriate Participants in a CESP Process

On page 10, NRRI envisions many participants in the CESP process and states "With this diversity of participants, a neutral facilitator seems necessary." If the HECO Companies were to propose in the CESP Framework that the CESP process would have a neutral facilitator (similar to the role of an Independent Observer under the Framework for Competitive Bidding) leading all Advisory Committee meetings, public hearings, and observing the utilities' technical analyses, would that be an acceptable means for addressing the concerns over public participation and transparency in the CESP process?

RESPONSE:

Yes, provided that this would be implemented consistent with HDA's discussion of the role of an independent process facilitator in its Preliminary Statement of Position (Attachment A at pages 4-5) and at more length in response to the information request COUNTIES-HDA-IR-1 (above). Other suggestions provided by HDA in its Preliminary Statement of Position Attachment A at pages 4-5 might also be constructive and appropriate.

CERTIFICATE OF SERVICE

I hereby certify that I have, on November 21, 2009 served a copy of the foregoing HAIKU DESIGN AND ANALYSIS RESPONSES TO INFORMATIN REQUESTS upon the following entities, by first class mail or by electronic transmission as noted:

Catherine P. Awakuni, Executive Director Department of Commerce and Consumer Affairs Division of Consumer Advocacy P.O. Box 541 Honolulu, Hawaii 96809	[2 copies] [First Class Mail] and [Electronic Service]
Darcy L. Endo, Vice President Government and Community Affairs Hawaiian Electric Company, Inc. P. O. Box 2750 Honolulu, HI 96840-0001	[Electronic Service]
Dean K. Matsuura Manager, Regulatory Affairs Hawaiian Electric Company, Inc. Hawaii Electric Light Company, Inc. Maui Electric Company, Ltd. P. O. Box 2750 Honolulu, Hawaii 96840-0001	[Electronic Service]
Jay Ignacio, President Hawaii Electric Light Company, Inc. P. O. Box 1027 Hilo, Hawaii 96721-1027	[Electronic Service]
Edward L. Reinhardt, President Maui Electric Company, Limited P. O. Box 398 Kahului, Hawaii 96733-6898	[Electronic Service]
Thomas W. Williams, Jr., Esq. Peter K. Kikuta, Esq Damon Schmidt, Esq Goodsill Anderson Quinn Stifel LLLC 1099 Alakea Street, Suite 1800 Honolulu, Hawaii 96813	[Electronic Service]

Randall J. Hee, P.E., President and CEO [Electronic Service]
Kauai Island Utility Cooperative
4463 Pahe'e Street, Suite 1
Lihue, Hawaii 96766-2000

Timothy Blume [Electronic Service]
Michael Yamane
Kauai Island Utility Cooperative
4463 Pahe'e Street, Suite 1
Lihue, Hawaii 96766-2000

Jeffrey M. Kissel [Electronic Service]
President and Chief Executive Officer
The Gas Company, LLC.
745 Fort Street, 18th Floor
Honolulu, HI 96813

George T. Aoki, Esq. [Electronic Service]
The Gas Company, LLC.
745 Fort Street, 18th Floor
Honolulu, HI 96813

Ted Peck [Electronic Service]
Department of Business, Economic Development and Tourism
State Office Tower
235 South Beretania Street, Room 501
Honolulu, Hawaii 96813

Estrella Seese [Electronic Service]
Department of Business, Economic Development and Tourism
State Office Tower
235 South Beretania Street, Room 501
Honolulu, Hawaii 96813

Warren S. Bollmeier II, President [Electronic Service]
Hawaii Renewable Energy Alliance
46-040 Konane Place 3816
Kaneohe, Hawaii 96744

Mark J. Bennett, Esq. [Electronic Service]
Deborah Day Emerson, Esq.
Gregg J. Kinkley, Esq.
Deputy Attorney General
Department of the Attorney General
State of Hawaii
425 Queen Street
Honolulu, Hawaii 96813

Lincoln S.T. Ashida, Esq. [Electronic Service]
William V. Brilhante, Jr., Esq.
Michael J. Udovic, Esq.
Department of the Corporation Counsel
County of Hawaii
101 Aupuni Street, Suite 325
Hilo, HI 96720

Brian T. Moto, Esq. [Electronic Service]
Michael J. Hopper, Esq.
Department of the Corporation Counsel
County of Maui
200 South High Street
Wailuku, Maui, HI 96793

Alfred B. Castillo, Jr., Esq. [Electronic Service]
Amy I. Esaki, Esq.
Mona Clark
Office of the County Attorney
County of Kauai
4444 Rice Street, Suite 220
Lihue, HI 96766-1300

Glenn Sato [Electronic Service]
Office of Economic Development
County of Kauai
4444 Rice Street, Suite 200
Lihue, HI 96766

Henry Q. Curtis [Electronic Service]
Cat Brady
Life of the Land
76 North King Street
Honolulu, HI 96817

Isaac H. Moriwake [Electronic Service]
David L. Henkin
Earthjustice
223 South King Street, Suite 400
Honolulu, HI 96813-4501

Tyrone Crockwell [Electronic Service]
Area Director of Engineering
JW Marriot Ihilani Resort & Spa
92-1001 Olani Street
Ko Olina, HI 96707

Thomas C. Gorak, Esq. [Electronic Service]
Gorak & Bay, L.L.C.
1161 Ikena Circle
Honolulu, HI 96821

Dean T. Yamamoto, Esq. [Electronic Service]
Scott W. Settle, Esq.
Jodi Shin Yamamoto, Esq.
Duke T. Oishi, Esq.
Yamamoto and Settle
700 Bishop Street, Suite 200
Honolulu, HI 96813

Mark Duda, President [Electronic Service]
Hawaii Solar Energy Association
P. O. Box 37070
Honolulu, Hawaii 96837

Douglas A. Codiga, Esq. [Electronic Service]
Schlack Ito Lockwood Piper & Elkind
Topa Financial Center
745 Fort Street Mall, Suite 1500
Honolulu, Hawaii 96813

Dated: November 23, 2009; Haiku, Hawaii

Signed: CARL FREEDMAN
Carl Freedman

N

WAIPUA STREET

NONOHE PLACE

HANA HIGHWAY

LOT 16 OF THE
5TH COUNTRY CLUB
SUBDIVISION

SQ.FT. 10,760 (VACANT)

5.00
SETBACK

10.00
SETBACK

an

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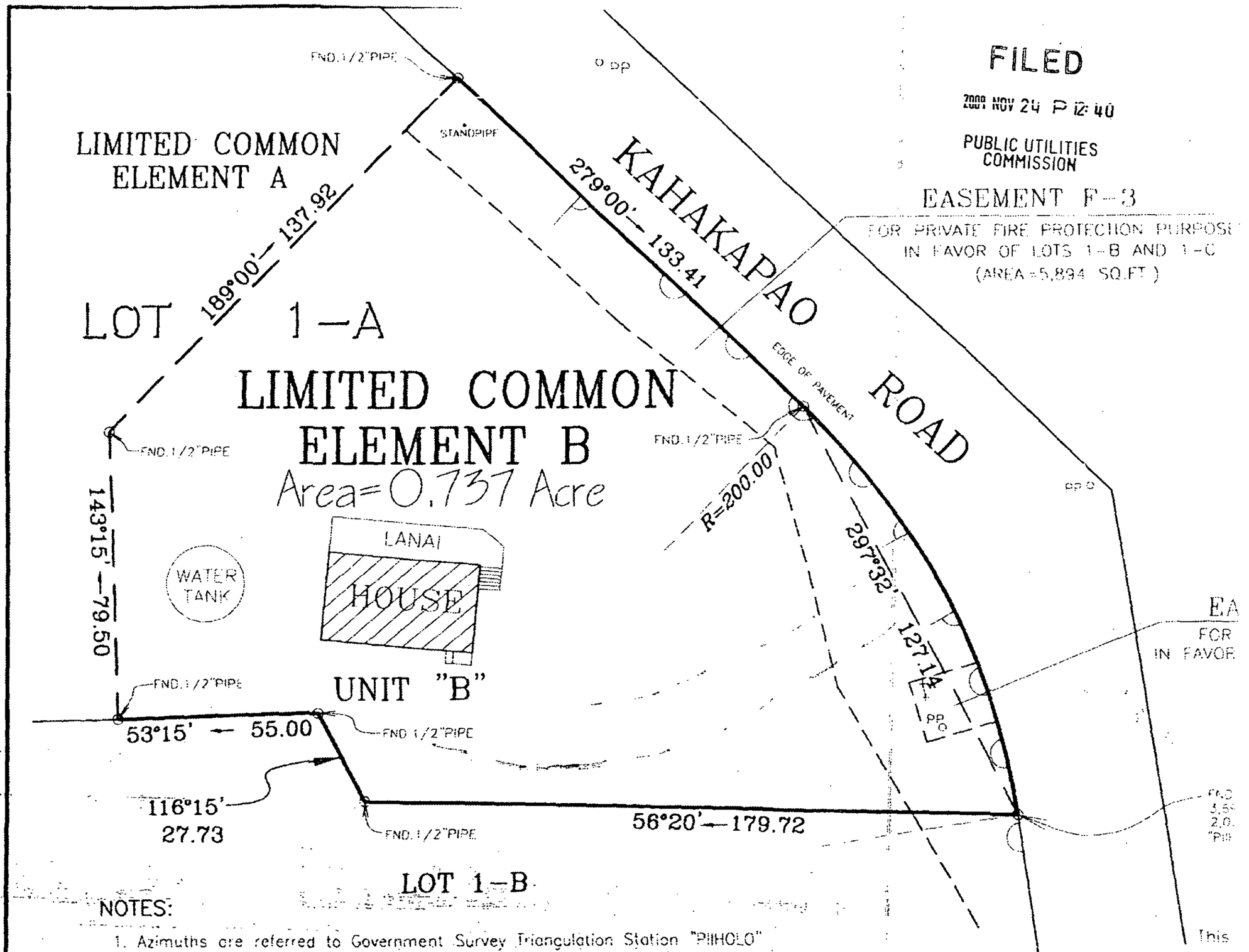
PUBLIC UTILITIES COMMISSION

EASEMENT F-3

FOR PRIVATE FIRE PROTECTION PURPOSE
IN FAVOR OF LOTS 1-B AND 1-C
(AREA = 5,894 SQ.FT.)



NOTES:

1. Azimuths are referred to Government Survey Triangulation Station "PIIHOLO" and its meridian was established from the existing boundary

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